

ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

PURPOSE OF THE PROGRAM

Subject to limitations enacted by Congress, assets derived from liquidation of functions of the Reconstruction Finance Corporation were made available for administrative expenses of such liquidation. Proceeds from liquidation were paid into miscellaneous receipts of the Treasury.

AUTHORITY FOR THE PROGRAM

Reorganization Plan No. 1 of 1957.

HISTORY OF THE PROGRAM

Reorganization Plan No. 1 of 1957 abolished the Reconstruction Finance Corporation as a corporate entity, and liquidation of its principal affairs was delegated to the Department of Commerce. Residual functions of the Smaller War Plants Corporation and the World War II assets program were transferred to GSA for final liquidation, effective June 20, 1957. At the time of transfer, residual functions included 15 facilities under lease and conditional sales agreements, 5 loans, about 50 miscellaneous assets, 25 liabilities, and about 100 cases in the hands of the Department of Justice.

Administrative expenses for financial and legal services were absorbed within regular GSA appropriations, and all proceeds from liquidation were paid into miscellaneous receipts of the Treasury.

In 1975, the acquisition of the famed Hughes Flying Boat (HK-1) and the Hughes Racer (H-1) by the Smithsonian Institution represented the last liquidation action. The transfer of \$364,000 to the Treasury in 1976 closed the books on the account.

DEVELOPMENT OF APPROPRIATION LANGUAGE

The initial limitation on administrative expenses applied directly to GSA appeared in the Independent Offices Appropriation Act of 1959. It was repeated intact each year through 1963, as follows:

"Not to exceed \$ _____ (to be computed on an accrual basis) of the funds derived from liquidation of functions of Reconstruction Finance Corporation transferred to General Services Administration under Reorganization Plan No. 1 of 1957 (22 F.R. 4633), shall be available during the current fiscal year for administrative expenses incident to the liquidation of said functions: Provided, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices, but this amount shall be exclusive of costs of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services: Provided further, That the distribution of administrative expenses to the accounts shall be made in accordance with generally recognized accounting principles and practices."

BUDGETARY HISTORY OF LIMITATIONS ON ADMINISTRATIVE EXPENSES (In Whole Dollars)

Fiscal ---	Estimate	Presidents	House	Senate	-----Limitations Enacted-----		
<u>Year</u>	<u>To BoB</u>	<u>Allowance</u>	<u>Bill</u>	<u>Bill</u>	<u>Amount</u>	<u>P. L.</u>	<u>Date</u>
1958	(Treasury-Post Office Appropriations Act)				55,000	85-37	5/27/57
Suppl	(For Pay Act costs; approved by BoB 8/5/58)				2,155	85-472	6/30/58
1959	54,000	54,000	42,500	54,000	50,000	85-844	8/28/58
Suppl	4,400	4,400	3,960	3,960	3,960	86-30	5/20/59
1960	44,000	44,000	40,000	40,000	40,000	86-255	9/14/59
1961	40,000	40,000	40,000	40,000	40,000	86-626	7/12/60
Suppl	2,500	3,000 ^{1/}	3,000	3,000	3,000	87-14	3/31/61
1962	42,500	42,500	42,500	42,500	42,500	87-141	8/17/61
1963	25,000	25,000	25,000	25,000	25,000	87-741	10/3/62

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\$500 increase due to rounding.

FINANCIAL ASPECTS OF THE PROGRAM \$(Thousands)

-----ASSETS-----												
Fiscal	Contin-											
<u>Year</u>	<u>Income</u>	<u>--Operations-Expense</u>	<u>Profit or Loss</u>	<u>Cash with Treasury</u>	<u>Accnts Rcvbl Net</u>	<u>Loans Rcvbl Net</u>	<u>Fixed Assets Net</u>	<u>Misc. Assets</u>	<u>Total Assets</u>	<u>Current Liabilities</u>	<u>gent Liabilities</u>	<u>Repay Invest Treas.</u>

1958	391	109	282	9,095	4,209	146	743	21	14,214	52	16,848	--
1959	351	533	- 182	8,263	4,137	119	618	7	13,144	45	16,848	1,392
1960	224	314	- 90	3,294	3,694	--	618	2	7,608	45	7,921	5,450
1961	160	49	111	1,003	3,577	--	588	2	5,170	--	--	2,479
1962	703	51	652	475	358	25	4,264	--	5,122	--	--	700
1963	151	30	122	644	311	25	4,264	--	5,243	--	--	--
1964	131	9	122	1,080	90	1,331	123	--	2,624	--	--	146
1965	11	18	- 7	205	91	1,165	98	--	1,559	13	--	1,094
1966	12	--	12	105	74	1,007	98	--	1,284	118	--	282
1967	82	--	82	113	54	845	98	--	1,110	46	--	183
1968	17	2	15	101	43	701	98	--	943	39	--	175
1969	16	8	8	106	4	644	98	--	852	33	--	93
1970	10	8	2	106	3	488	98	--	695	27	--	153
1971	10	--	10	107	2	337	98	--	544	22	--	156
1972	10	--	10	117	1	287	98	--	503	17	--	40
1973	10	--	10	131	1	7	98	--	237	17	--	--
1974	63 <u>1/</u>	8	55	190	1	3	98	--	292	17	--	--
1975	112 <u>2/</u>	23	89	364	--	--	--	--	364	--	--	--
1976	--	--	--	--	--	--	--	--	364	--	--	364

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Included \$50,000 consideration for lease termination and \$3,000 collection of previously written-off installment receivables.

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Included \$105,000 gain on the sale of fixed assets.